High Level Task Force to Strengthen Textile Industry

207. SHRI MOOLCHAND MEENA:
DR. T. SUBBARAMI REDDY:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Textile Ministry has set up a high level task force headed by Textile Secretary to look into various aspects of the industry and suggest a road map to strengthen the ailing industry;

(b) if so, what is the time given to this Committee for submitting its report;

(c) whether the Committee has already submitted its report;

(d) what are the suggestions made; and

(e) what are the steps being taken to implement the suggestions?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL): (a) Yes, Sir.

(b) The Committee has been asked to submit its report within a period of three months.

(c) No, Sir.

(d) and (e) Do not arise.

Apparel Parks

208. SHRIMATI N.P. DURGA: Will the Minister of TEXTILES be pleased to state:

(a) the salient feature of the proposed apparel parks to be set up;

(b) the guidelines for setting up such parks; and

(c) the viability/success expected in boosting production, exports and employment expected through these parks?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL): (a) A centrally sponsored scheme titled "Apparel Parks for Exports Scheme" has already been launched

w.e.f. March, 2002. The scheme is intended to impart focussed thrust to setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports. The central assistance under the scheme would be given to the extent of 75% of the capital expenditure incurred by the State Governments on the infrastructural facilities of the Apparel Park, while the remaining 25% will be borne by the State Government/agency subject to a maximum of Rs. 10 crores. The Central Government will also provide a sum upto Rs. 5 crores for setting up of an effluent treatment plant, creche/s, any multi purpose centre/hall for marketing/display etc. Besides, the Central Government will provide grant upto 50% of the cost of any training facility created in the park upto a maximum of Rs. 2 crores.

(b) The detailed guidelines of the Scheme are enclosed as Statement and these are also available on Ministry of Textiles' website **http://www.texmin.nic.in** (See below).

(c) As per guidelines it is expected that the scheme would generate additional employment and would add to exports.

Statement

GUIDELINES FOR ESTABLISHMENT OF APPAREL PARKS FOR EXPORTS

A centrally sponsored scheme titled "Apparel Parks for Exports" has been formulated with a view to involve State Governments in promoting investments in the apparel sector. The Scheme is intended to impart focussed thrust to setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports in this sector so as to achieve the target of US$ 25 billion by 2010 as envisaged in the National Textile Policy, 2000 (NTxP-2000).

1. DETAILS OF THE SCHEME

(i) The State Govt. or an Undertaking sponsored by the State Government (the designated agency) will provide land free of cost for establishing the park of sufficient size (The size of an apparel park may be approximately 150-250 acres, but this can be determined in each case on merits).

(ii) The location of the apparel park will be such that it is conducive to the establishment of state-of-the-art manufacturing units in terms of its access to ports, airports rail heads etc., availability of raw-materials and the general level of infrastructural facilities available.

(iii) The designated agency will provide infrastructural facilities like power, water, roads (including approach roads to the park), sewerage and drainage, tele-communication & other facilities for the park. Such facilities shall be of high standards to ensure that the units established in the park are able to function efficiently.

(iv) The park will have garment manufacturing units with each unit having atleast 200 sewing machines. The park would especially aim at integrated units. It would provide employment to at least 20,000 persons when it becomes fully operational. The park could have the ancillary units like the units manufacturing buttons etc. The park would also aim at having specialised units like processing or washing units to bring more value addition to the garments manufactured.

(v) The State Government will also take the initiative in providing flexibility in labour laws in these clusters.

(vi) The Central Government will give as a grant 75% of the capital expenditure incurred by the State Government on the infrastructural facilities of the Apparel Park, while the remaining 25% will be borne by the agency. This grant shall be limited to a maximum of Rs. 10 crores.

(vii) The Central Government will also provide a sum upto Rs. 5 crores for setting up of an effluent treatment plant, creche/s, any multi purpose centre/hall for marketing/display etc. (This is being proposed as these facilities are required to enable the units to meet emerging labour/social/environmental standards).

(viii) The Central Government will also undertake to provide skill upgradation of the workers employed in the units under its existing schemes, wherever possible.

(ix) The Central Government will provide grant upto 50% of the cost of any training facility created in the park upto a maximum of Rs. 2 crores. (This is being proposed as skill upgradation in garment sector is a continuous process to maintain competitiveness).

(x) The State Government may not charge any stamp fee on the sale/transfer of land in this park. (This facility has been given by the Government of Maharashtra for the units being set up in Millenium Park).

2. PROJECT APPROVAL COMMITTEE

(i) The project proposals shall be considered by a Project Approval Committee (PAC) headed by Secretary (Textiles), Advisor (Textiles) Planning Commission, AS&FA, Ministry of Textiles, Textile Commissioner, a representative from Department of Expenditure with Joint Secretary, Ministry of Textiles as Member Secretary to approve and sanction the proposals received from the agencies for establishment of 'parks', to monitor their implementation and to evaluate the progress and achievement under the scheme.

(ii) The agencies requesting for assistance under the scheme will prepare feasibility studies and detailed project reports. Only those proposals, which are approved, will be eligible for assistance under the scheme. While approving the proposal, care will be taken to see that the location of the park is conducive to meet the objectives of the scheme.

(iii) While considering the proposals, due weightage shall be given to the potential of the park for attracting investments, employment generation, upgradation in technology, additionality to exports and creation of labour productive environment.

3. PROJECT FORMULATION:

Following points (which are intended to be indicative and not exhaustive) could be kept in mind while preparing of project proposals for setting up of Apparel Parks. Since development of Apparel Parks will have to take into account the peculiar features pertaining to each park, emphasis on various items listed hereunder may differ. However, it needs to be ensured that the infrastructural facilities provided in the Park are uniformly of high standard.

(i) *Project Location*

The locational suitability of the site in regard proximity to international airport/seaport, access to railheads etc., existence of an industrial, commercial and social infrastructure, linkage with hinterland for inputs, existence of communication facilities, availability of water and power should be guiding factor.

State Govt./the designated agency should ensure that location of Apparel Park is primarily guided by the factor that the place is a leading manufacturing, trading or export centre of the State.

Details should be available of the proposed site, especially its area and suitability for industrial development. Normally, the land should be under the possession of the State Government/designated agency with clear title thereupon.

(ii) *Implementing Agency*

It is expected that implementing agency would have been decided upon before the project proposal is submitted. The status of the implementing agency and its experience in executing similar schemes may be indicated.

(iii) *Project Description*

This should indicate both physical and commercial plan:

(a) The investments, production, employment, additionality in exports and import substitution likely to be generated by the units to be set up in the park.

(b) An appropriate environment management plan to ensure that there is no adverse impact on the environment as a result of setting up of industries in the Apparel Park.

(c) Type of infrastructural facilities that are available and/are proposed to be provided.

(d) Business Development Plan in a phased manner may also be indicated.

(iv) *Project Phasing*

The project report should indicate a realistic time frame within which the different activities would be completed. It may be advisable to execute

the project in phases as the demand for plots and other facilities may come up over a period of time.

(v) *Financing Plan*

(a) Project cost

The fund requirements should be indicated item-wise on all the components of the project which should touch upon basic assumptions made for unit prices, physical and price contingencies, escalation and annual costs.

(b) Project Financing

The report should clearly indicate the financing arrangement especially NRI/foreign investment, bank loans and also the provisions proposed to be made under the State Plan for this purpose. Approval of the State Government for provision of necessary funds in the plan/budget should be indicated.

(vi) *Economic Viability*

It is expected that the parks would be financially self-sufficient in the long run and this point will be given due importance by the PAC.

(vii) Socio-economic feasibility report along with environmental assessment should be completed before commencement of the project.

(viii) The report shall also include the economic feasibility of the effuent treatment plant, which shall be owned, managed, maintained and run by the implementing/designated agency with the involvement of stakeholders.

4. PRE-ALLOTMENT PROCEDURES:

(i) Scrutiny and assessment formats should be designed and linked up to MIS system by State Govt. through any appropriate agency.

(ii) Before commencing the projects or allotment of site, care should be taken to ensure the crucial infrastructure like power, water and telecommunication are in place.

(iii) Business development plan and promotion of Apparel Park should be drawn up simultaneously to avoid under utilization of project.

(iv) Provision should be made for additional infrastructure facility like cargo complex, ICD, custom clearance houses, courier and banking services dealing with foreign exchange.

5. MONITORING OF PROGRESS AND RELEASE OF FUNDS:

Since the release of funds by the Central Government will be based on actual financial and physical progress acheived by the park, it is essential to institute a mechanism for monitoring the progress of implementation. Instituting a system for monitoring on the lines indicated below could be considered:—

(i) The monitoring of implementation of the Apparel Parks shall be done by Committee at the State Level, which would oversee, review and report on the progress of the Apparel Park to the Central Government, based on which the actual release of funds would be made. This Committee will also have representatives from the Centre. The suggested composition of the State Level Committee (SLC) is given in Attachment-I;

(ii) The SLC shall meet once every quarter to review the progress and report the same as at Attachment-II, III & IV to the Central Government. The quarterly report shall be sent to the Ministry of Textiles by the 7th day of the month following the end of the relevant quarter;

(iii) The Central Assistance for each Apparel Park will be released in instalments during the Plan period after assessing the progress of Apparel Park at each stage on the basis of reports furnished by the State Government; and

(iv) All Central assistance will be claimed through the Member Secretary, SLC who will furnish item-wise expenditure already incurred, before claiming Central assistance in the programme at Attachment-III. The State Government should also indicate the other sources of funds including the provisions made in the State Plan. A utilisation certificate as in Attachment-V should also be furnished along with the statement of expenditure.

6. APPROVAL OF UNITS IN APPAREL PARK FOR EXPORTS:

The Scheme, though a centrally sponsored scheme, is implemented and run by the State Governments and hence different approaches are being followed by different States for implementing the scheme and for attracting investment in Apparel Parks. For this reason, it is difficult to prescribe a standard procedure for monitoring the socio-economic benefits flowing from the units approved for setting up projects in the Apparel Park for Exports. However, to ensure export orientation of the units set up in the Park, the following broad guidelines are suggested for consideration of the State Government.

(i) The project is thoroughly scrutinized at the formulation stage itself to ensure the possibilities and investments, employment and export potential of the proposed site/location.

(ii) The State Level Committee (SLC) set up to monitor the implementation of Apparel Park for Exports may also like to address this issue and give necessary directions to the implementing authorities for designing Monitoring formats which can be collected on half yearly basis from the Apparel Parks.

SUGGESTED COMPOSITION OF STATE LEVEL COMMITTEE

Sl. No.	Designation/Department	Status
1	Secretary (dealing with Textiles)	Chairman
2	Secretary, Finance	Member
3	Secretary, Planning	Member
4	A representative of the Ministry of Textiles, Govt. of India	Member
5	A representative of the Lead Bank and another financial institution	Member
6	Director of Industries or industries Commissioner/ Director of the agency	Member
7	Nodal Officer of the TCIDS Scheme	Member
8.	Managing Director, State Industrial Development Corpn./Chief Executive of the Implementing Agency.	Member-Secretary

QUARTERLY REPORT INDICATING ITEMS OF EXPENDITURE AND PROGRESS ACHIEVED

State & Name of Place————————

1. Name of the APPAREL PARK FOR EXPORTS

2. Name of the Implementing Agency

Item/Unit of expenditure as given in the Project Report	Approved cost	Actual expenditure incurred upto the end of the last quarter	Anticipated expenditure in the current quarter (period to be shown)	Cumulative expenditure
(1) Development of site (Item-wise)				
(2) Industrial infrastructure				
(i) Power				
(ii) Water Supply				
(iii) Effluent treatment				
(iv) Telecommunication				
(v) Training Centre				
(vi) Others				
(3) Social Infrastructure (Item-wise)				
(4) Others (Item-wise)				
Total :				

Signature————————

Designation: Member Secretary

State Level Committee Dated:

B. Sources and flow of Fundings

Sources	Amount released till end of last quarter (date to be shown)	Requirement for the current quarter (period to be shown)
(i) Central Government		
(ii) State Government		
(iii) Financial Institutions		
(iv) Others (Specify the sources)		
	TOTAL	

Signature:_____

Designation: Member Secretary

State Level Committee

DETAILED QUARTERLY PROGRESS REPORT ON PROGRESS OF IMPLEMENTATION OF APPAREL PARK OR EXPORTS

1. Details of infrastructure/utilities provided so far in the Apparel Parks:

(i) Water supply

(ii) Electricity supply

(iii) Telecom facilities

(iv) Storm water storage

(v) Facilities for treating industrial effluents

(vi) Dry waste disposal systems

(vii) Standard Design Factories

(viii) Roads

(ix) Boundary wall

(x) Common facilities

(xi) Other special features

(xii) Training facilities

(xiii) Effluent treatment plant

2. Details of infrastructure under development:

Item of work	Approved cost	Actual expenditure	% age of work completed	Expected date of completion

3. Organisation and management:

(a) What is the strucutre of the Apparel Parks administrative authority;

(b) Details of Single window clearance in regard to various approvals required from States such as power, water, pollution control, building plan etc. being provided for setting up of industrial units in Apparel Parks;

(c) In what ways is the private sector involved in development/ management of Apparel Parks:

4. Utilisation position of finance

Year	Central Grant		State Allocation		Contribution by implementing agency	
	Received	Utilised	Received	Utilised	Received	Utilised
2001-02						
2002-03						
2003-04						

5. Please also enclose the following:—

(a) Quarterly report (Attachment - II) for the period ending last quarter indicating item-wise details of expenditure,

(b) Utilisation certificate.

6. Total approved project cost.

7. Revised project cost, if any.

8. Estimated date and completion of the project.

9. (a) Number of industrial units who have applied for setting up unit in the Park,

(b) Number of units approved with product-wise break up of item of manufacture.

10. (a) No. of units who have been allotted plot/shed in the Park,

(b) Number of units in operation,

(c) Number of units under implementation.

11. What are the incentives approved/proposed for industries in Apparel Parks

Rent concession,

Tax concession,

Subsidised inputs (Power),

Credit facilities,

Training/Placement facilities for labour/human resource development.

CERTIFICATE

1. It is certified that the Apparel Park for Exports has been approved by the Central Government and the conditions laid down in this regard have been fulfilled.

2. It is certified that the Central assistance released for the implementation of this project has been fully utilised in accordance with the provisions of the scheme and guidelines and clarifications issued in this behalf by the Central Government. The information furnished in the Progress Report has been verified from the relevant records and is correct. If any over payment of discrepancies come to the notice of the Government later, the same will be accounted for rendering the Member Secretary, SLC of the Government of ———————————— is liable to refund the above payment to make good the loss caused to the Central Government.

3. On the basis of evidence on record, it is certified that the expenditure on project is in accordance with the provisions of the Scheme.

Signature ————————————

Designation: Member Secretary,
State Level Committee

Govt. of ————————————

Date: